

*Delays Have Caused Financial Uncertainty for Disaster-Stricken Gulf Coast*

October 9, 2009

WASHINGTON-Congressman Charlie Melancon (LA-03) has led a delegation effort urging the Federal Emergency Management Agency (FEMA) to finalize Community Disaster Loan forgiveness regulations for the many parishes still rebuilding after Hurricanes Katrina and Rita. The letter, which was sent to FEMA Administrator Craig Fugate earlier today, was signed by the entire Louisiana delegation and notes that two years have passed since Congress gave FEMA the authority to forgive these loans, but the agency has yet to issue a final ruling. *Delays Have Caused Financial Uncertainty for Disaster-Stricken Gulf Coast*

October 9, 2009

WASHINGTON-Congressman Charlie Melancon (LA-03) has led a delegation effort urging the Federal Emergency Management Agency (FEMA) to finalize Community Disaster Loan forgiveness regulations for the many parishes still rebuilding after Hurricanes Katrina and Rita. The letter, which was sent to FEMA Administrator Craig Fugate earlier today, was signed by the entire Louisiana delegation and notes that two years have passed since Congress gave FEMA the authority to forgive these loans, but the agency has yet to issue a final ruling.

**"More than four years after Katrina and Rita, many disaster-stricken parish governments and local entities are still waiting in limbo, unsure of whether they will have to come up with the funds to repay these massive loans," said Rep. Melancon today. "This uncertainty is hindering our recovery, and I urge FEMA to relieve this burden by providing guidance on loan forgiveness as soon as possible. In this economy, anything FEMA can do to bring more financial stability to the Gulf Coast region should be a top priority."**

Rep. Melancon has worked in Congress to reduce the financial burden on local governments and public entities in south Louisiana still struggling to recover from Hurricanes Katrina and Rita. After the storms, he worked with the Louisiana delegation and Congressional leadership to pass legislation allowing federal Community Disaster Loans to be forgiven for localities that can not afford to repay them.

In 2007, Rep. Melancon successfully included language in the [Emergency Supplemental Appropriations bill](#) making Katrina- and Rita-affected communities eligible for forgiveness of their Community Disaster Loans. An estimated \$800 million in CDLs were provided by the federal government to hurricane-affected local governments and public organizations immediately following the hurricanes to help them continue daily operations, such as payroll for law enforcement and emergency responders. Many local government entities do not have the ability to repay this massive debt, as their tax bases were devastated by the storms.

In arguing for CDL forgiveness, Rep. Melancon noted that, in the past, CDLs had been forgiven following many other major disasters, including Hurricane Andrew and the September 11th terrorist attacks. With the passage of the 2007 Supplemental, Katrina and Rita CDLs became eligible for forgiveness, paving the way for a huge financial burden to be lifted for local

governments and public entities in south Louisiana.

[Click here](#) to view the letter.

# # #